



Thursday, September 28, 2006

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**Community Care Services
RECOMMENDATION FOR COUNCIL ACTION**

ITEM No. 9

Subject: Authorize negotiation and execution of a Renewal and Fourth Amendment to the Interlocal Agreement with the Travis County Healthcare District ("Healthcare District") for the continued operation by the City of the community health clinic system, and continued management by the City of the Healthcare District's medical assistance programs, charity care programs and related matters for a one-year term, and to adjust payments to the City, and add 10.25 positions to Community Care Services Department.

Amount and Source of Funding: Funding sufficient to satisfy all City obligations under the interlocal agreement will be available in the net transfer of funds from the Travis County Healthcare District to the City of Austin in Fiscal Year 2006-2007.

Fiscal Note: There is no unanticipated impact. A fiscal note is not required.

For More Information: Phil DeFalco, Financial Manager 972-4022;
Debra Hedges, Chief Administrative Officer 972-4045

Prior Council Action: 4/6/06 Council authorized negotiation and execution of the third amendment to the interlocal agreement with the Travis County Healthcare District. 9/12/05 Council authorized negotiation and execution of the renewal of and second Amendment to the interlocal agreement with the Travis County Healthcare District. 8/4/05 Council authorized negotiation and execution of the first amendment to the interlocal agreement with the Travis County Healthcare District. 9/13/04 Council authorized negotiation and execution of the interlocal agreement with the Travis County Healthcare District.

**Additional Backup
Material**

(click to open)

On May 15, 2004, the voters of Travis County approved the creation of the Travis County Hospital District now called the Travis County Healthcare District ("District"). The governing statute, Chapter 281 of the Texas Health and Safety Code, required the transfer of certain property, contracts, and operations of the City and County to the District, so that the powers of the Hospital District could be implemented. The District assumed responsibility for funding and providing medical and hospital care for indigent and needy persons within Travis County. The interlocal agreement between the City and the District provides that the City's Community Care Services Department operate the Community Health Center Clinics (FQHCs), as well as provide the management and administration of the Medical Assistance Programs and the administration of certain community health care contracts. The District pays the City for services provided under the interlocal. The first amendment, effective March 1, 2005, adjusted Service Payments to reflect pay increases, describe telecommunications support and amend the notice provision. The second amendment effective October 1, 2005, renewed and extended the agreement for another year and adjusted Service Payments for the new fiscal year, addressed additional computer and telecommunications support and recognized the disposition of certain Capital Improvements Projects (CIP) funds upon termination of the agreement. The third amendment, effective in April of 2006, adjusted the Service Payments for the remainder of this fiscal year to reflect additional reimbursement of Travis County employee expenses and decreased monthly payments to reflect the termination of a Seton Medical Assistance Provider contract with the City.

This item requests Council approval for negotiation and execution of a Renewal and Fourth Amendment to the Interlocal Agreement with the District under which the City would continue to operate the community health clinic system and manage the Healthcare District's medical assistance program. The Healthcare District would pay the City Service Payments during this term in an amount equal to \$26,910,624. These funds would be paid monthly for a one-year term in amounts of \$2,242,552. This amendment also recognizes the name change from Hospital District to Healthcare District, and authorizes the addition of 10.25 FTE equivalents related to enhancements approved for fiscal year 2007. The FTE increase include 2.5 positions which will provide patient education services at the new urgent care center operated by the Daughters of Charity Health Services of Austin. Five (5.0) FTEs have been approved to create a support float pool of RNs/LVNs and add Medical Assistants to support the Department's Access and Redesign Collaborative initiatives. Eligibility processes will improve with the addition of 2.0 FTEs, and also included in the enhancement are increases of .25 FTE Clinical Pharmacist and .5 FTE Nutritionist. Finally, the enhancements include funding for additional behavioral health counselors, which will be provided through a contractual agreement with Austin/Travis County MHMR.

The services to be provided will begin October 1, 2006, or a one-year term.